

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0851-01  
Bill No.: HB 212  
Subject: Drugs and Controlled Substances; Insurance - Medical; Pharmacy  
Type: Original  
Date: February 23, 2007

---

Bill Summary: Allows enrollees to pay the lower of the copayment assigned by the health maintenance organization or health insurer or the usual and customary retail price of the prescription drug.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Insurance Dedicated	\$0 to \$5,000	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to \$5,000</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services** and **Department of Public Safety (DPS) - Director's Office** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state that currently under the HCP contract if the copayment amount is higher than the cost of the drug, the member pays the cost of the drug. Therefore, the proposal will have no fiscal impact on the HCP.

Officials from the **DPS - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the fiscal impact of this proposal on their organization.

Officials from the **Missouri Department of Transportation (DOT)** state the proposal will have no fiscal impact on the Missouri Highway Transportation Commission or DOT since the proposal only applies to HMOs and health insurers and not to self-insured governmental plans.

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation would not appear to have a fiscal impact on MDC funds since the MDC insurance plan already requires members be charged the lower of the typical prescription drug co-payment or the actual cost of the drug.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** estimate approximately 100 insurers may be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$0 to \$5,000 (100 insurers X \$50).

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews, the DIFP will need to request additional staff to handle the increase in workload.

**This proposal may result in an increase in total state revenue.**

FISCAL IMPACT - State Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

HWC:LR:OD (12/02)

## **INSURANCE DEDICATED FUND**

### Income - DIFP

Form filing fees	<u>\$0 to \$5,000</u>	<u>\$0</u>	<u>\$0</u>
------------------	-----------------------	------------	------------

### **ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND**

<u><b>\$0 to \$5,000</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
------------------------------	-------------------	-------------------

### FISCAL IMPACT - Local Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

**\$0**

**\$0**

**\$0**

### FISCAL IMPACT - Small Business

This proposal may impact small businesses that provide health insurance coverage to their employees if HMOs or health insurers adjust premiums as a result of this proposal.

### FISCAL DESCRIPTION

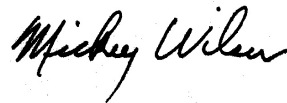
This proposal specifies that when the usual and customary retail price of a prescription drug is less than the copayment applied by a health maintenance organization or health insurer, the enrollee is only required to pay the usual and customary retail price of the prescription drug.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

HWC:LR:OD (12/02)

Missouri Department of Transportation  
Department of Insurance, Financial and Professional Regulation  
Department of Social Services  
Department of Public Safety -  
    Director's Office  
        Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA  
Director  
February 23, 2007